

MEMORANDUM

THE WHITE HOUSE

WASHINGTON



MEMORANDUM OF CONVERSATION

PARTICIPANTS:

President Nixon

Cabinet Meeting

DATE AND TIME:

Tuesday, May 28, 1974

PLACE:

The Cabinet Room

The White House

[Omitted here is discussion unrelated to food policy.]



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Authority <u>CO | 2958</u>

By <u>CO</u> NARA Date <u>U-7-05</u>



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Butz:

On food aid and stockpiling, a debate is developing. Humphrey and his friends think we should have a large Government food reserve. I disagree. We are out of the food reserve business and I think we should stay out. We carried the world food reserve and everyone got soft -- they didn't have to plan. We need food reserves, but they can be carried by private industry and foreign governments. We have carried the lion's share of production aid for years, going back to the Marshall Plan.

President: The whole idea that if we feed the world there will be peace is nonsense. But taking an area like the Middle East, if we develop a new relationship with the Arabs, the Middle East is one of the hungrest areas of the world. Food is indispensable in our foreign policy. The Soviet Union is providing arms to the Arabs; we can counter here. If we tried to give arms both to Israel and the Arabs, there would be a hell of a fuss raised.

The United States should move away from multilateral to bilateral aid. Keep this in mind at the World Food Conference. We need it for foreign policy. As our military assistance recedes, we need other bilateral aid. The IMF sort of thing is OK, but we need this tool for our foreign policy. This has to be closely held, because it goes against the grain of the altruists.

Scali: We can count our bilateral aid toward world goals, and we can't look too selfish.

<u>President:</u> OK, but let's have no illusion that we need to be able to influence governments and what they do. The World Bank does a fine job, but it is not an effective instrument of U.S. foreign policy. Frequently, it has not helped where we wanted and has helped countries where is was not in our interest.

[Omitted here is discussion unrelated to food policy.]

